

8 July 1960

MEMORANDUM FOR THE DIRECTOR

SUBJECT: Afghan-Soviet Relations

1. The essence of Ambassador Byrnes's 3 July cable is that the Western position is deteriorating rapidly in Afghanistan and that unless a new US approach is developed promptly, it will no longer be possible to consider Afghanistan a "neutral" country. We estimated in NIE 53-59 (dated 22 September 1959) that Afghanistan's neutrality seemed likely to take on an increasingly pro-Soviet tone but that we believed Afghan leaders would continue to consider the preservation of the country's independence as their primary objective and that for some time to come at least they would resist any Soviet effort to infringe on their sovereignty. We believe this is still true. How long and how successfully they can do so is something we have never been able to estimate with any precision.

2. We still believe that the Afghans are strongly desirous of avoiding exclusive reliance on the USSR for their economic development. Moreover, the nebulous nature of all economic planning in

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Afghanistan is likely to make it virtually impossible for any one nation to play a completely clearcut role. For example, the First Five Year Plan (1956-1961) was to cost about \$325 million (including substantial local currency needs) but when the Afghans discovered it was possible to obtain over \$200 million from Soviet Bloc and about \$100 million from the West, they simply added new projects to take advantage of their unexpected good fortune. The Afghans almost certainly believe that US aid, at at least the present level, will not be terminated, and they will make allowances for this one way or another when framing the new five-year plan. If the Soviets in fact prove willing to underwrite \$500 million aid for the plan, this will probably not decrease expectations of Western aid.

3. Competitive development aid is only one facet of the complex of Afghan relations with the West and with the Communist Bloc. Afghanistan's dependence on the USSR as a trading partner is in some ways a greater danger to the country's independence than is the magnitude of Soviet aid. In NIE 53-59, we estimated that about 45 percent of Afghanistan's total trade was with the Bloc. While this percentage will probably continue to grow gradually, we know of no significant changes in it recently. Finally, political factors,

centering on relations with Pakistan and "Pakhtunistan", are probably as important as economic considerations in determining Afghan attitudes toward the Bloc and the West. The problems with Afghanistan which the US faces in this sphere would be ameliorated little, if at all, by a crash ~~approach~~ to economic aid--not to speak of the adverse effects on Pakistan of such special treatment for Afghanistan.

4. He agrees with Ambassador Hyrcande's criticism, implicit in his 3 July cable and detailed in many earlier messages, that the US aid program in Afghanistan has long been miserably administered and executed. There have been frequent Afghan complaints about the long delays between approval of projects in Washington and tangible results in the field, and these complaints have too often been inadequately dealt with. Under these circumstances, it is not unlikely that the Afghans would come to regard the USSR as a more reliable source of assistance and counsel.

FOR THE BOARD OF NATIONAL ESTIMATES:

ABBOT SMITH  
Acting Chairman